

IIEC  
GROUP EXCROSS  
A  
07-0540

IIEC FIRST SET OF DATA REQUEST TO  
ENVIRONMENTAL LAW AND POLICY CENTER

**Regarding the Direct Testimony of ELPC  
Witness Geoffrey Crandall, ELPC Ex. 1.0**

IIEC 1-1. At page 6, lines 167-169, ELPC witness Crandall testifies:

“However, it is important that the relative share of funds assigned to specific sectors (residential, commercial, industrial) remain approximately proportionate to the proposed levels in the plan.”

- a. Please explain why Mr. Crandall believes it is important that the relative share of funds assigned to specific sectors remain approximately proportionate to the proposed levels in the plan.

Response:

Mr. Crandall believes that it is important that the magnitude of the budget overall as well as how it is allocated for each sector be known early in the process. This is essential for planning, managing, establishing contracts with third party implementers (who have significant implementation responsibilities), coordinating with trade allies, building customer awareness and encouraging customer participation, and minimizing customer confusion. The amount of the budget, the level of effort and the ramp-up rate is crucial to understand in order to effectively implement a program of this nature.

- b. Please explain how Mr. Crandall distinguishes specific sectors (residential, commercial and industrial) in determining the funds assigned to that sector.

Response:

Mr. Crandall distinguishes these by tariff and rate class.

ORIGINAL FILE  
DOCKET NO. 07-0540  
IIEC X GROUP A  
WITNESS  
Date 1/4/08

Response to IIEC  
First Set of Data Requests to Staff  
Docket No. 07-0539  
Response of Staff Witness Lazare

ICC Person Responsible: Peter Lazare  
Title: Rate Analyst, Financial Analysis Division  
Business Address: Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701

IIEC 1-5. Regarding page 4, lines 92-94:

- a) Is it Mr. Lazare's belief that class cost recovery should be based on the result of the cost (i.e., energy savings), rather than on the cost itself (program cost of the measures)?
- b) Is it Mr. Lazare's opinion, as a rates expert, that section 12-103 of the Illinois Public Utilities Act prohibits the Commission from setting rates based on cost causation?
- c) If the answer to sub part b) is "Yes," please provide the basis for this opinion.
- d) Is it the Staff position that for rate design and rate setting purposes the general ratemaking concepts in Article IX of the Illinois Public Utilities Act are required to be excluded or subordinated in the context of recovering the costs of energy efficiency and demand response programs?
- e) If the answer to sub part d) is "Yes," please provide the basis for the response.

**Response:**

- a. It is Mr. Lazare's belief that class cost recovery should be based on the purpose of the expenditures as well as the distribution of the benefits.
- b. Staff objects to this request to the extent that it calls for a legal conclusion. Subject to and without waiving this objection, Staff responds as follows: No.
- c. Not applicable.
- d. No.
- e. Not applicable.

ICC Docket No. 07-0540

**Commonwealth Edison Company's Response to  
Illinois Industrial Energy Consumers' (IIEC) Data Requests 2.1-2.5  
Dated: December 26, 2007**

**REQUEST NO. IIEC 2.1:**

Regarding page 5, lines 98-104:

- a) Has ComEd developed estimates of the incremental costs of the increased administrative burdens referred to in Mr. Crumrine's testimony?
- b) If the answer to a. is "Yes," please provide all such estimated incremental costs, including all detailed or component estimates and applicable workpapers.
- c) Has ComEd developed estimates of the charges that would result from adoption of the cost recovery mechanism proposed by IIEC witness Mr. Stephens?
- d) If the answer to c. is "Yes," please provide all such estimated charges and applicable workpapers.
- e) Please explain the principal sources of any difference between the charges developed by ComEd those developed by IIEC witnesses Mr. Stephens and Mr. Stowe.
- f) Please identify what portion of Mr. Brandt's Rebuttal Testimony is referred to in the parenthetical "(See ComEd Ex. 9.0)."

**RESPONSE:**

*Persons responsible for response:*

*Paul R. Crumrine, Commonwealth Edison Company  
Michael S. Brandt, Commonwealth Edison Company*

- a. Please see response to subpart f of this data request.
- b. Please see response to subpart f of this data request.
- c. ComEd objects to this request as vague and ambiguous. Without waiving this objection, ComEd states as follows. Please see response to subpart f of this data request.
- d. ComEd objects to this request as vague and ambiguous. Without waiving this objection, ComEd states as follows. Please see response to subpart f of this data request.

- e. ComEd objects to this request as vague and ambiguous. Without waiving this objection, ComEd states as follows. The principle differences between the charges developed by ComEd and IIEC are discussed in the rebuttal testimony of Paul R. Crumrine. (See ComEd Ex. 11.0, 3:56-4:85; 5:96-8-165.)
- f. The specific "portion" of Michael S. Brandt's rebuttal testimony referenced is as follows:
  - Q. With respect to IIEC's and BOMA's proposals to calculate separate cent per kWh charges for various customer classes, from a business perspective, would there be additional costs in this approach?
  - A. Although ComEd has not had time to analyze in detail the additional costs, it is safe to assume that there would be additional system and personnel costs associated with tracking and reporting costs in a more segregated manner.

(ComEd Ex. 9.0, 10:263-268.)

**ICC Docket No. 07-0540**

**Commonwealth Edison Company's Response to  
Illinois Industrial Energy Consumers' (IIEC) Data Requests 2.1-2.5  
Dated: December 26, 2007**

**REQUEST NO. IIEC 2.4:**

Regarding page 7, lines 156-160:

- a) Is it Mr. Crumrine's opinion that the energy efficiency and demand response measures to be implemented by ComEd relieve the upward pressure on market prices for electric energy and capacity?
- b) Has ComEd developed any estimates of the magnitude of the potential relief? If so, please provide all such estimates and applicable workpapers.
- c) To what "market" is Mr. Crumrine referring in line 159? Please be specific and provide an estimate of the total size of the relevant market for each of the energy efficiency and demand response planning years 2008, 2009 and 2010.

**RESPONSE:**

*Person responsible for response*

*Paul R. Crumrine, Commonwealth Edison Company*

- a. It is Mr. Crumrine's opinion that the energy efficiency and demand response measures proposed in ComEd's Plan will relieve upward pressure on market prices for electric energy and capacity to some extent.
- b. ComEd has not estimated the dollar value of the potential relief on market prices for electric energy and capacity associated with energy efficiency and demand response measures.
- c. ComEd objects to this request as overbroad, vague and ambiguous. Further, to the extent that this request is interpreted to require additional information, ComEd objects on the grounds that it is unreasonable and unduly burdensome. Without waiving these objections, ComEd states as follows. On line 159 of his rebuttal testimony (ComEd Ex. 11.0), Mr. Crumrine was generally referring to PJM Interconnection, L.L.C. ("PJM"). Although ComEd has not prepared any "estimate of the total size" of the PJM market for the planning years 2008, 2009 or 2010, PJM estimates its service area has a population of about 51 million and a peak demand of 144,644 megawatts. (See <http://www.pjm.com/about/territory-served.html>.)

**ICC Docket No. 07-0540**

**Commonwealth Edison Company's Response to  
Illinois Industrial Energy Consumers' (IIEC) Data Requests 2.1-2.5  
Dated: December 26, 2007**

**REQUEST NO. IIEC 2.5:<sup>1</sup>**

Regarding pages 7-8, lines 160-165:

- a) Please identify all indirect benefits (other than the downward pressure on prices) to which Mr. Crumrine refers.
- b) Has ComEd developed any quantitative estimates of the indirect benefits that accrue to Small C&I or Large C&I customers? If the answer is "yes," please provide all such estimates and applicable workpapers.
- c) Is it ComEd's position that "the indirect benefits of ComEd's programs that accrue to all electric consumers in Northern Illinois in the general form of reduced supply costs" for Large C&I (1 MW and over) commercial and industrial customers as a group are roughly equal to the direct benefits of ComEd's proposed programs that accrue to Large C&I (1 MW and over) commercial and industrial customers as a group?
- d) Is it ComEd's position that "the indirect benefits of ComEd's programs that accrue to all electric consumers in Northern Illinois in the general form of reduced supply costs" for Small C&I (less than 1 MW) commercial and industrial customers as a group are roughly equal to the direct benefits of ComEd's proposed programs that accrue to Small C&I (less than 1 MW) commercial and industrial customers as a group?
- e) Is it ComEd's position that "the indirect benefits of ComEd's programs that accrue to all electric consumers in Northern Illinois in the general form of reduced supply costs" for Residential customers as a group are roughly equal to the direct benefits of ComEd's proposed programs that accrue to Residential customers as a group?
- f) Is it ComEd's position that commercial and industrial customers, as a group, will receive indirect benefits from residential energy efficiency and demand response programs that are equal, on a cents per kWh basis, to the indirect benefits that residential customers will receive from commercial and industrial energy efficiency and demand response programs? Please explain the answer and provide any workpapers or other documents available that support the answer.

---

<sup>1</sup> The subparts of this data request were renumbered in order to improve the clarity of ComEd's response.

- g) Is it ComEd's position that "the indirect benefits of ComEd's programs that accrue to all electric consumers in Northern Illinois in the general form of reduced supply costs" justify apportioning all costs of those programs uniformly among all customers?
- h) Is it ComEd's position that the costs of the proposed energy efficiency programs should not be allocated based on cost causation? If the answer is "yes" please provide all of ComEd's support for the position, including clear and concise references to Illinois law, Illinois Commerce Commission rules, and other authoritative documents.

**RESPONSE:**

*Person responsible for response*

*Paul R. Crumrine, Commonwealth Edison Company*

- a. The "indirect benefits" to which Mr. Crumrine was specifically referring in the cited portion of his rebuttal testimony (ComEd Ex. 11.0, 7:160-8:164) were limited to those associated with the market price for electric energy and capacity. However, other indirect benefits may exist. (*See, e.g., 220 ILCS 5/12-103(a)*).
- b. No.
- c. ComEd has not prepared any estimates of the impact of its proposed programs by customer class or group on market prices or, in turn, the impact of potentially reduced market prices on any particular class or group of customers. Therefore, ComEd has no position with respect to the comparison drawn in this data request.
- d. Please see the response to subpart c of this data request.
- e. Please see the response to subpart c of this data request.
- f. It is ComEd's position that commercial and industrial customers will receive benefits to some extent from residential energy efficiency and demand response programs. However, as noted in response to subpart c of this data request, ComEd has not prepared any estimates of the impact of its proposed programs by customer class or group on market prices. Therefore, ComEd has no position with respect to the comparison drawn in this data request.
- g. ComEd objects to this request on the grounds that it calls for a legal conclusion. Without waiving this objection, ComEd states as follows. It is, in part, ComEd's position that the benefits of ComEd's programs--which, as discussed in 220 ILCS 5/12-103(a), accrue to all electric consumers in Northern Illinois--make it reasonable to recover costs from energy consumers through a single cents per kilowatt-hour charge.

- h. ComEd objects to this request on the grounds that it calls for a legal conclusion. Without waiving this objection, ComEd states as follows. It is ComEd's position that the costs of the energy efficiency and demand response programs required to meet the savings goals set forth in Section 12-103 of the Public Utilities Act should not be allocated on the basis of a narrow traditional cost causation analysis. (*See* ComEd Ex. 11.0, 5:96-6:133).



**ICC Docket No. 07-0540**

**Commonwealth Edison Company's Response to  
IIEC's (IIEC) Data Request 3-1**

**Dated: December 27, 2007**

**REQUEST NO. IIEC 3-1:**

Regarding the Business Solutions programs described at pages 76-97:

- a) Please describe how ComEd will ensure that all recipients of the various program incentives are ComEd customers.
- b) Please explain how ComEd will ensure that no single customer will exceed any participation limits set forth in the program designs.
- c) To the extent a particular program requires a customer application (e.g., see page 78 near the top), please describe what information will be required on the application form, and how long it is expected to take to process the applications.
- d) To the extent application forms have been developed by ComEd, please provide copies of the relevant application forms. If one or more of these are in "Draft" form, please so indicate.
- e) To the extent that any of the Business Solutions programs involves a direct financial incentive by ComEd, please explain the way or ways in which the financial incentive will be conveyed to the customer(s) (e.g., a check from ComEd, a credit on the customer's bill, etc.), for each program.
- f) Using the C&I Prescriptive Incentives program as an example, on page 78, there is a reference to an incentive payment and the need to expedite incentive payments. Please estimate the amount of time between customer application for incentive payment and actual receipt of the payment. To the extent this timeline varies across the programs, please provide estimates for each program as applicable.
- g) Please identify to which ComEd witness(es) each of the items above should be addressed in the context of cross-examination.

**RESPONSE:**

*Persons responsible for response*

*Michael Brandt, Commonwealth Edison Company  
Val Jensen, ICF International*

EEDR 0016195

- a) ComEd anticipates that incentive applications will require customer account numbers and addresses that will be cross-checked against current ComEd accounts. The final program designs are still in development, however, and will be completed with the third-party administrators.
- b) ComEd anticipates that incentive applications will be tracked by account number. New applications will be cross-checked against paid applications to ensure that no customer is paid more than program rules allow. The final program designs are still in development, however, and will be completed with the third party administrators.
- c) Application forms have not yet been designed. Required information is likely to differ depending on the program, but generally may include customer site and contact information, including account number(s) and project information including measure(s) proposed/installed, estimated savings, measure costs, and incentives requested/paid. The final program designs are still in development, however, and will be completed with the third party administrators.
- d) See answer to subpart (c) above.
- e) The forms of the financial incentives have not yet been defined for the programs. Typically, the financial incentives for such programs are paid via check. The final program designs are still in development, however, and will be completed with the third party administrators.
- f) Because the final program designs, including incentive fulfillment, are still in development, it is not possible to answer the question definitively. The time to process a rebate application will most likely vary by program type depending on the need to verify project installations, as well as on whether or not the implementation contractor or ComEd actually writes the incentive check (assuming rebates are paid by check). Ideally, rebates will be processed within three to four weeks of receipt of an application, including any time required for on-site verification.
- g) Questions can be addressed to Michael Brandt.